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UCI

8 Jan 86

PFIAB NOTES

- Looking forward - reconstituted Board
- Your arrival very timely
- An exciting and difficult year ahead - lots of problems
- Good news - IC feels itself in good shape - good new leadership
 - Odom and Perroots
 - Continue to use predecessors Faurer and Williams
 - Lots of new, young leadership moving up
- I'd like to give you a broad picture this morning - hit the high spots and then take your questions
 - Good place to start - National Foreign Intelligence Strategy
 - SecState, SecDefense, myself and others at hearings during the fall
 - DCI tasked to produce strategy document - will have in print when Congress returns later this month
- In the strategy we provide:
 - A look at likely global conditions and the resulting strategic challenges to the United States in the next decade
 - Our thoughts on providing national intelligence in the 1990s based on planned and programmed capabilities
 - A sense of our priorities for the 1990s
- Some specifics include:
 - Concern for further development of Soviet strategic military power at home and their continued exacerbation of trouble spots around the world
 - Diffusion of power in the world and continuing shifts in international alignments
 - Continued stress on interdiction issues such as narcotics, terrorism, chemical and nuclear weapons proliferation, technology transfer, etc.

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- Potential new scientific and technological breakthroughs
- Needs for close support to military operations
- And a need to greatly improve the security of our people, facilities, and information.

- We face a problem ahead having pretty well completed the five-year buildup started in 1981

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- Cadre of analysts and case officers has been beefed up
- With Gramm-Rudman we have come to the end of the rebuilding road, will have a hard time holding, and will now have to concentrate on getting more out of what we have - that's where the budget realities force our strategy
- Right now budget situation quite desperate - February 1 the President under Gramm-Rudman will have to issue a sequestration order which will reduce the funds available during the current fiscal year

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- The 1987 budget request is pretty good but we have to expect a Gramm-Rudman reduction which will run somewhere into the billions and without some adjustment of Gramm-Rudman or significant revenue enhancements we could be in desperate financial shape. So that will require a lot of watching.

- The situation on the ground in the regional conflicts raised by the President at Geneva is requiring a lot of attention.

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